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IMPACT OF THE GLOBAL PANDEMIC EFFECTS ON ECONOMIC INDEXES OF TOURISM

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ABSTRACT. The article assess the direct impact of the consequences of the global crisis initiated by the pandemic caused by COVID-19 virus on the most sensitive to restrictions on movement industry - tourism. Considering the methods of rehabilitation of the industry, world community expectations for the immediate future are given. Also assessing the economic damage to countries which economies are closely interconnected with tourist flows and capital.

Keywords: global crises, global pandemic, tourism, hospitality, economic damage.

INTRODUCTION. The post-pandemic circumstances have led to a significant boost in economic growth in the tourism sector, as countries and businesses adapt to changing consumer behavior and travel patterns.

The COVID-19 pandemic has had a significant impact on the tourism industry, with travel restrictions and lockdowns leading to a sharp decline in international travel. However, as countries and businesses adapt to changing consumer behavior and travel patterns, there has been a notable boost in economic growth in the tourism sector. According to the UNWTO Tourism Recovery Tracker, global tourism arrivals increased by 13% in June 2021 compared to May 2021. The World Bank also notes that while the pandemic has caused significant economic damage to the tourism sector, recovery is possible with the right policy responses.

Governments and businesses have implemented various measures to facilitate tourism recovery, including vaccine passports, health and safety protocols, and flexible cancellation policies. The OECD highlights the importance of collaboration between governments, the private sector, and other stakeholders to support the recovery of the tourism sector. According to Statista,

domestic tourism has been a key driver of recovery, with many people opting for staycations or traveling within their own countries.

Euromonitor International predicts that travel will gradually recover in 2023 and beyond, with a focus on sustainable and responsible tourism. Deloitte Insights notes that the pandemic has accelerated digital transformation in the travel industry, with increased adoption of contactless technology and virtual experiences. McKinsey & Company emphasizes the importance of agile decision-making and scenario planning for businesses in the tourism sector to navigate ongoing uncertainty.

As the world continues to grapple with the ongoing pandemic, the tourism industry must remain vigilant and adaptable to changing circumstances. The emergence of new variants and potential future outbreaks could disrupt travel once again, highlighting the need for continued collaboration and preparedness.

Furthermore, the pandemic has brought attention to the importance of sustainable tourism practices, with travelers increasingly seeking out eco-friendly and socially responsible options. The industry must prioritize sustainability and responsible tourism to ensure long-term growth and minimize negative impacts on local communities and the environment. With continued collaboration, innovation, and a focus on sustainability, the sector can recover and thrive in a post-pandemic world.

Relevance of the problem. The global pandemic, the first of its scale in a new era of interconnectedness, has put 100 million jobs at risk, many in micro, small, and medium-sized enterprises. Tourism-dependent countries will likely feel the negative impacts of the crisis for much longer than other economies. Contact-intensive services key to the tourism and travel sectors are disproportionately affected by the pandemic and will continue to struggle until people feel safe to travel again.

Analysis of recent research and publications the problems of tourism damage are presented in the works of scientists: Sakarya Yayincilik, Al-Tawfiq, Correa-Martinez, Dreyer A., Dreyer D., Obieglo D. Oldenbourg Verlag.

Problem definition. Travel and tourism is among the most affected sectors with a massive fall of international demand amid global travel restrictions including many borders fully closed, to contain the virus.

Methods: achieving the objective there have been used the next methods: comparison, analysis, deduction, measurement, statistics.

RESEARCHING RESULTS. The results reveal that the tourism sector is easily affected by global crises. It is almost the same day that travelers decide to cancel or delay their trips, with

the spread of the news. More in-depth analyses uncovered several topics consisted of comments on benefiting from travel insurance and refund due to the travel cancellations. Travel insurance has become a hot topic, which may be a way of reanimating the industry by offering travel packages, including travel insurance services.

The first cases of previously unknown lung disease were reported in the Wuhan (Hubei province) region of China in December 2019, initially appeared in a market where live animals were traded. A new form of the coronavirus was identified as the causative agent and discovered in numerous patients with pneumonia. Its global spread is keeping the whole world in suspense. The novel coronavirus (CoV) is now called SARS-CoV-2, the infection COVID-19. "COVID" stands for "Corona Virus Disease" and 19 for the year of discovery. With around 80% of all confirmed cases, the province of Hubei remains the epicenter. Flights and train travel from the largest cities in this province have been canceled until further notice, roads are closed, and there is still a general obligation to wear a mask. In the meantime, the SARS-CoV-2 has also reached Europe and Switzerland. News from newspapers, radio, and television roll over every day with new figures on infections and deaths. On January 30, 2020, the World Health Organization (WHO) declared an international health emergency [3].

At the end of January, almost 10,000 people were infected worldwide, more than 98% of them were in China, and almost three quarters were in the province of Hubei. In the days that followed, the number of infected people increased by an average of around 3000 per day. Cases outside of China also increased. According to the WHO, the virus has spread to 115 countries, and almost 4300 people have died in two months. COVID-19 is called a pandemic disease by WHO on March 11, 2020.

In addition to the human suffering involved, larger-scale epidemics and pandemics also have economic effects. The direct consequence of this is that the sick people are absent at the workplace, meaning that the job offer is at least temporarily reduced. If the disease is associated with numerous deaths, it even drops in the long term. Indirect effects also result from the measures taken to contain the pandemic. For instance, one of the parents is unable to work when the schools get closed because children have to be looked after. Economic activity is also affected if entry and exit are restricted in the regions concerned. However, indirect effects can also arise from changes in behavior, for example, when consumers forego shopping or tourists avoid regions that appear to be risky to avoid the risk of infection. In the corona crisis, worldwide travel traffic has come to a standstill. Many countries prohibit foreigners from entering the country and close their external borders [5].

It is not possible to estimate the extent of the economic impact of the COVID-19 outbreak because the course and duration of the outbreak are still unknown, and both cannot be predicted, according to experts.

We are therefore seeking research letters, research notes and articles that examine the impacts of COVID-19 on tourism in terms of

- consumer behavior;
- business behavior and response strategies;
- destination management and marketing response strategies;
- change, development and learning in tourism governance and policy;
- individual, organization and destination resilience;
- economic and financial assistance strategies to assist the tourism industry;
- the influence of previous disasters in influencing actions;
- economic, social and environmental implications of COVID-19 for tourism;
- tourism employment and human resources;
- destination and business attractiveness;
- development of "alternative tourisms" in response to COVID-19;
- political dimensions of COVID19 and the use of quarantines on mobility [2].

In the past decades, tourism has experienced continued growth and became one of the fastest growing economic sectors globally. The sector witnessed a 59% growth over the decade in international tourists' arrivals from 1.5 billion 2019 compared to 880 million in 2009. Tourism is also a key driver for socio-economic progress, with tourism specific developments in an increasing number of national and international destinations.

Globally, the tourism industry contributed to $8.9 trillion to the global GDP in 2019 equaling a contribution of 10.3%. It is also to note that 1 in 10 jobs around the world is in tourism, equaling 330 million jobs.

However, the strong historical growth has been halted in 2020 amid the global Covid-19 pandemic. With airplanes on the ground, hotels closed and travel restrictions implemented, travel and tourism became one of the most affected sectors since the very start of the virus spread. The pandemic has cut international tourist arrivals in the first quarter of 2020 to a fraction of what they were a year ago.

Countries all over the world applied travel restrictions to limit the coronavirus spread. Airport closures, the suspension of incoming and outgoing flights, and nationwide lockdowns are just some of the measures that countries are implementing in an effort to help contain the pandemic [13].

After the spread of the pandemic in the first two quarters of 2020, at least 93 percent of the global population lived in countries with coronavirus-related travel restrictions, with approximately 3 billion people residing in countries enforcing complete border closures to foreigners.

The International Air Transport Association (IATA) financial outlook released in June, 2023 showed that airlines globally lost $137.7 billion in the year of 2020 for a net post-tax profit. Industry wide, total airline revenue is expected to recover to around 96% of the pre-Covid level in 2023. Air passenger revenue is anticipated at USD 546 billion, which is approximately 90% of the 2019 level [11].

Cargo revenue will likely ease somewhat, to USD 140 billion, a number that nevertheless is around 40% higher than in 2019.

What's shocking is witnessing how many airlines have failed during the coronavirus pandemic. And even for airlines that are still in business, the situation is severely difficult: e.g. the US carriers have given out $10 billion in vouchers due to the pandemic. Listed below are a few examples of the biggest coronavirus-related airline failures worldwide.

– LATAM: To date, Chile's LATAM is the largest airline to file for U.S. bankruptcy protection due to the pandemic. LATAM continued flying as it restructures its debts in bankruptcy court.

– Avianca Holdings: The second-largest carrier in South America, Avianca survived the Great Depression – but not coronavirus. The airline filed for Chapter 11 bankruptcy protection. Like LATAM, Avianca continued flying during the restructuring.

– Virgin Australia: After almost 20 years of operation, Virgin Australia – the country's second-biggest airline – filed for voluntary administration, the equivalent of bankruptcy restructuring. It was the largest airline to collapse in Australian history.

– Flybe: The British regional airline Flybe was already struggling before coronavirus and both the UK government and Virgin Atlantic tried to save it. However, the airline entered voluntary administration, similar to bankruptcy.

– Miami Air International: After 29 years in service, Miami Air International filed for Chapter 11, then proceeded to cease operations [4].

The lockdown due to the pandemic has affected the tourism industry across the globe, and the hotel sector is among the hardest hit. Global hospitality data company STR compared 2020's first quarter status to 2019 figures, hotel occupancy rates dropped as much as 96% in Italy, 68% in China, 67% in UK, 59% in USA and 48% in Singapore.

Europe continues to lead the rebound of international tourism. The region welcomed 477 million international arrivals in January-September 2022 (68% of the world total), hitting 81% of

pre-pandemic levels. This was more than double that of 2021 (+126%) with results boosted by strong intra-regional demand and travel from the United States. Europe saw particularly robust performance in Q3, when arrivals reached almost 90% of 2019 levels.

At the same time, the Middle East saw international arrivals more than triple (+225%) year on year in January-September 2022, climbing to 77% of pre-pandemic levels.. Africa (+166%) and the Americas (+106%) also recorded strong growth compared to 2021, reaching 63% and 66% of 2019 levels, respectively. In Asia and the Pacific (+230%) arrivals more than tripled in the first nine months of 2022, reflecting the opening of many destinations, including Japan at the end of September. However, arrivals in Asia and the Pacific remained 83% below 2019 levels. China, a key source market for the region, remains closed.

With travel confidence having taken a knock and the majority of countries trying to reignite the industry at the same time, competition to regain lost ground will be fierce. So, in addition to clever marketing techniques, extra incentives will likely be necessary to persuade tourists to choose a particular destination. These could include visa changes (such as waiving or relaxing visa requirements and extending permitted stays), announcing new flagship events to attract visitors, or giving people a helping hand where they might appreciate it most—their wallet. Malaysia, for example, plans to offer travel discount vouchers, and income tax relief for domestic tourists. Other monetary incentives could be a reduction in visa fees or vouchers for popular airlines, hotels, restaurants, shopping outlets, and tourist attractions.

It might seem beyond the imagination now, but the pandemic itself could eventually present new tourism opportunities. For example, the Chengdu Beichuan Earthquake Memorial Museum was opened on the fifth anniversary of the disaster, in remembrance of the lives lost to the 2008 earthquake. Various other devastating events in history have produced landmarks that are visited by tourists around the world (for example, Ground Zero, the Exxon Valdez spill in Alaska, Hurricane Katrina, and the Hiroshima Peace Memorial). With the current pandemic having unleashed a huge wave of innovation—not least the race to find a vaccine—in the future, countries might consider acknowledging this and other efforts to fight the disease with landmarks, museums, or scientific and educational facilities. Some museums are already building their coronavirus collections (for example, collecting photographs, personal items from citizens with COVID-19 to detail their current crisis).

As countries reopen to visitors, extra safety protocols were implemented to eliminate any chance of a new outbreak. First and foremost, this means continuing to monitor the domestic and international situation to make sure inbound journeys don’t pose a health risk to their destination.

Secondly, all touchpoints along the tourist journey need to be safeguarded, for example:

- Managing the majority of visa procedures online to reduce physical contact;
- At airports, tracking flights to and from areas of outbreak; putting appropriate social distancing barriers and markings in place; providing mandatory hand sanitizer and personal protective equipment to staff and travelers, and carrying out health checks or tests where needed; routine disinfections and deep-cleaning;
- On aircraft, allocating seating in accordance with social distancing regulations; reducing or removing in-flight services; installing high-efficiency particulate air filters; routine disinfections and deep-cleaning;
- At hotels and other accommodations, rules for common areas such as the lobby, restaurant, and gym to meet social distancing regulations; revised standards for food storage, handing, and catering plus ventilation and cleaning.

However, there are still concerns over the lack of reliable information and deteriorating economic environment which are indicated as factors weighing on consumer confidence, especially with the potential new limits on travel as world came to grips with another Covid-19 wave as well as other viruses. The travel industry already faced difficulties. Many companies mastered the challenges of digitization and were successful in the changing environment. However, the magnitude of the consequences of Covid-19 is not comparable to previous crises [15].

Important information reaches millions of people instantly, thanks to the Internet, which has many benefits and some disadvantages. Travelers react to sudden changes and tourism businesses need more time to prepare plan B. Players in the tourism sector must conduct accurate risk analysis and develop appropriate crisis management policies to survive.

The study implies that the tourism industry is greatly affected by the outbreak, as expected. Also, the findings provide original clues in terms of necessary steps that should be taken to reanimate the industry. Comments indicate that travel insurance would be on the list of must-haves from now on. Tourism companies that would include this option in their travel packages for free or at small prices would be preferred. Travelers should make sure their plans are safe and protected to temp to invest in the tourism industry. In this context, travel insurance and the possibility of change of date or location without paying a fee difference can encourage travelers to make future travel plans and ensure tourist mobility [10].

Flexibility and agility are two critical features needed in the tourism industry. In the future, it is expected that the need for mobility, consumption, and freedom will remain high, but a reflection will shape it on the local context. Along with efforts to normalize, the tourism sector needs to provide confidence to travelers against the risks. Updates to the travel insurance, refund,

and plan change policies are required so that enterprises can serve with full reliability and flexibility [13].

All regions enjoyed a significant rebound in January 2022, though from low levels recorded at the start of 2021 (diagram 1).

Diagram 1. World's international tourist arrivals

Global international tourist arrivals increased by 130 percent in the first month of the year over January 2021 to 18 million more visitors which is equal to the total increase for the whole of 2021, said the World Tourism Organization (UNWTO) recently. More specifically, according to its latest findings, the UNWTO is expecting international tourism to continue its recovery this year as more destinations fully lift Covid-19 restrictions.

Based on UNWTO data, all regions enjoyed a significant rebound in January 2022, with Europe still posting the strongest results up by 199 percent but still down by 53 percent over pre-Covid 2019 levels. The Americas did well too up by 97 percent, with international arrivals still around half of pre-pandemic levels at -52 percent.

Indicatively, some small European and Central American destinations recorded the best results compared to 2019: Seychelles (-27 percent), Bulgaria and Curaçao (both -20 percent), El Salvador (-19 percent), Serbia and Maldives (both -13 percent), Dominican Republic (-11 percent), Albania (-7 percent) and Andorra (-3 percent) while Bosnia and Herzegovina saw a 2 percent increase over pre-pandemic levels. Meanwhile, Turkey and Mexico marked declines of 16 percent and 24 percent, respectively compared to 2019.The UNWTO Confidence Index remains at record

lows. Most UNWTO Panel Experts expect a rebound in international tourism by the third quarter of 2021 and a return to pre-pandemic 2019 levels not before 2023[12].

CONCLUSION. The COVID-19 pandemic continues to have a very negative impact on people, on the economies of countries, and in particular on the tourism sector. Our study quickly assessed the tourist needs of the population during a period of confinement. The results showed a great need for recreation and relaxation to relieve psychological stress which has caused adverse effects on the physical and mental health of all people, including children, during the COVID-19 period.

There was a great need and awareness among respondents that the tourism sector can contribute to the economic recovery in after the period of confinement, because domestic tourism will be the most in demand due the closure of borders and the tourism potential.

This study also showed that the reduction in the cost of hotels and services in tourist areas, the cleanliness and disinfection of these sites, as well as the distance between tourism employees and customers can attract tourists. Thus, the COVID-19 pandemic has influenced the tourism needs of the population, which is increasingly aware of the consequences of the pandemic on their health and on the country's economy. The resumption of activity in passenger transport between regions of which was suspended because of the pandemic is recommended to re-activate domestic tourism.

These results can help the authorities in the tourism sector to better understand and identify the tourism needs of the population. This will also help to develop the potential of domestic tourism and prepare the tourism destinations through effective measures in the post-pandemic period. Perspectives from this study may focus on changes in tourism behavior after the COVID-19 lifting confinement, state tourism strategies, and as well the attitudes towards internal and external tourism after the lifting of confinement COVID-19.

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